10R-4

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

Form (2)

Sr.No. 35

Date 23-8-2014

Republic of the Union of Myanmar ★ Myanmar Investment Commission

(13)

PERMIT

Permit No. 791 /2014 Date 23rd, August 2014

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub - section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter DIRECTOR GENERAL, ENERGY PLANNING DEPARTMENT, MINISTRY OF ENERGY

(b) Citizenship MYANMAR

(c) Address BUILDING NO. 6, NAY PYI TAW

(d) Name and Address of Principal Organization MINISTRY OF ENERGY, BUILDING NO. 6, NAY PYI TAW

(e) Place of incorporation BUILDING NO. 6, NAY PYI TAW

(f) Type of Investment Business IMPROVED PETROLEUM RECOVERY

(g) Place(s) at which investment is permitted ONSHORE BLOCK (IOR-4) PYAY FIELD, BAGO REGION

(h) Amount of Foreign Capital US$ 28.05 MILLION

(i) Period for Foreign Capital brought in YEAR 2014 TO YEAR 2021

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 28.05 MILLION

(k) Construction period YEAR 2014 TO YEAR 2021

(l) Validity of investment Permitted 6 YEARS

(m) Form of investment IMPROVED PETROLEUM RECOVERY CONTRACT

(n) Name of Company incorporated in Myanmar MPRL E & P PTE LTD. & MYANMAR PETROLEUM EXPLORATION & PRODUCTION COMPANY LIMITED

Chairman

The Myanmar Investment Commission

Sr.No.....................
Date.....................
Myanmar Investment Commission

REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
No.(1), Thitsar Road, Yankin Township, Yangon

Our ref: DICA-5(E)/ 008/ 2014(35) Tel: 95-1-657892
Date : 22 August 2014 Fax: 95-1-657825

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Crude Oil and Natural Gas Improved Petroleum Recovery for Onshore Block IOR-4 (Pyay Field) in Bago Region" under the name of "MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited"**

Reference: Ministry of Energy, Letter No. 008/878/Hta (571/2014) dated (8-7-2014).

1. The Myanmar Investment Commission, at its meeting (19 /2014) held on dated 18th July,2014 had reviewed the proposal and resolved to permit for investment in "Crude Oil and Natural Gas Improved Petroleum Recovery for Onshore Block IOR-4 (Pyay Field) in Bago Region" under the name of "MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited" pursuant to the Improved Petroleum Recovery Contract to be signed between Myanma Oil and Gas Enterprise and MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited with the approval of the Cabinet of the Union Government, at its meeting (13/2014) held on dated 3rd July 2014.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, section 49 of the Foreign Investment Rules relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. Subject to the provision of the Memorandum of Agreement, on dated 9th August 2013, the participating interests of the parties in respect of the Improved Petroleum Recovery Contract (IPR) shall be as follows:

MPRL E&P Pte Ltd.	(British Virgin Islands)	80%

Myanmar Petroleum Exploration & Production Company Limited	(Myanmar)	20%

4. The permitted duration of the project shall be 6 (six) years. An initial preparation period and initial joint study period shall be 6 (six) consecutive months each and pilot project period shall be 3 (three) years and extendable for period of 2 (two) years.

5. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall pay royalty to the Government equal to 12.5% of the value of Available Petroleum from the Contract Area.

6. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall pay to Myanma Oil & Gas Enterprise to the amount of US $ 6,120,000 (United States Dollar six million, one hundred and twenty thousand only) as Signature Bonus within 30 days after the commencement of the Pilot Project Period.

7. Production Split between Myanma Oil and Gas Enterprise and MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall be allocated for Development and Production Area as follows:-

Incremental Crude Oil

BOPD	MOGE(%)	CONT (%)
0 - 5,000	60	40
5,001 - 10,000	70	30
10,001 - 20,000	75	25
20,001 - 30,000	80	20
Above 30,000	85	15

Incremental Natural Gas

MMCFD	MOGE(%)	CONT (%)
All	60	40

8. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall pay Production Bonus to Myanma Oil

and Gas Enterprise with respect to each Improved Petroleum Recovery for Crude Oil and Natural Gas and production area as follows:

Production Bonus

Incremental Crude Oil

At BOPD	US $(MILLION)
2,000(for 60 consecutive days production)	0.20
5,000(for 60 consecutive days production)	0.50
10,000(for 60 consecutive days production)	1.00
20,000(for 60 consecutive days production)	2.00
30,000(for 60 consecutive days production)	3.00

Incremental Natural Gas

At MMCFD	US $(MILLION)
15(for 60 consecutive days production)	0.50
30(for 60 consecutive days production)	1.00
60(for 60 consecutive days production)	1.50
150(for 60 consecutive days production)	2.00

9. After the commencement of commercial production of Crude Oil, shall fulfil as its obligation 10% (ten) percent of Crude Oil and 15% (fifteen) percent of Natural Gas toward the supply of the domestic Crude Oil and Natural Gas market in Myanmar. Myanma Oil and Gas Enterprise shall pay the price equivalent of 75% (seventy five) percent of the Fair Market Price.

10. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall provide Training Fund to the amount of US $ 10,000 (United States Dollar ten thousand only) per contract year for Initial Joint Study Period and US $ 50,000 each (United States Dollar fifty thousand only) per contract year for Pilot Project Period and Production Period shall also provide Research and Development Fund to

the amount of 0.5% (zero point five) percent of its share of profit Petroleum in favour of Myanma Oil and Gas Enterprise.

11. Myanma Oil and Gas Enterprise shall have the right to demand from MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited that up to 15% (fifteen) percent undivided interest.

12. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited is liable to pay the Government the following tranches out of the net profit made on the sale or transfer of the shares in the Company.

(a)	If the amount of Net Profit is up to and including US$ 100 million (United States Dollars one hundred million only)	40%
(b)	If the amount of Net Profit is between US$ 100 million and US$ 150 million (United States Dollar one hundred million only and United States Dollar one hundred and fifty million only)	45%
(c)	If the amount of Net Profit is over US$ 150 million (United States Dollar one hundred and fifty million only)	50%

13. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per section 27(a), (h) and (i) of the Foreign Investment Law. Other exemptions and reliefs under Chapter XII, section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial operation;

(b) As per section 27(h), exemption or relief from custom duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

14. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall have to sign the Improved Petroleum Recovery Contract (IPR) with Myanma Oil and Gas Enterprise. After signing the agreement, (5) copies shall have to be forwarded to the Commission.

15. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

16. The commercial date of operation shall be reported to the Commission.

17. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall endeavour to meet the targets for Crude Oil and Natural Gas Improved Petroleum Recovery stated in the proposal as the minimum target.

18. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal MPRL E&P Pte Ltd.

& Myanmar Petroleum Exploration & Production Company Limited shall have to consult with Directorate of Labour, Ministry of Labour, Employment and Social Security for appointment of such foreign experts and technicians.

19. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provision under Chapter XV, section-37 of the Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rules 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section - 2 (i) of the Foreign Investment Law, other than foreign currency.

20. Whenever MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited bring in foreign capital defined under Chapter I, section-2(i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 19(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

21. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen-owned business in the

Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

22. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall report to the Commission of any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

23. MPRL E & P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition, MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall be responsible to abide by the rules & regulations and comments made by Ministry of Environmental Conservation and Forestry. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall report to conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) process which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted, and to perform activities in accordance with these reports and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and regulations.

24. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall contribute Corporate Social Responsibility (CSR) activities in Myanmar.

25. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions.

26. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be

made out of the income of MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited.

27. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Zay Yar Aung)
Chairman

Director General
Energy Planning Department

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Ministry of National Planning and Economic Development
3. Ministry of Finance and Revenue
4. Ministry of Commerce
5. Ministry of Energy
6. Ministry of Foreign Affairs
7. Ministry of Home Affairs
8. Ministry of Immigration and Population
9. Ministry of Labour, Employment and Social Security
10. Ministry of Electric Power
11. Office of the Bago Region Government
12. Director General, Directorate of Investment and Company Administration
13. Director General, Customs Department
14. Director General, Internal Revenue Department
15. Managing Director, Myanma Oil and Gas Enterprise
16. Managing Director, Myanma Foreign Trade Bank
17. Managing Director, Myanma Investment and Commercial Bank
18. Managing Director, Myanma Insurance
19. Managing Director, Myanma Electric Power Enterprise
20. Director General, Directorate of Trade
21. Director General, Immigration and National Registration Department
22. Director General, Directorate of Labour

23. Chairman, the Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)
24. MPRL E & P Pte Ltd.
25. Myanmar Petroleum Exploration & Production Company Limited

IOR 6 (14) (IPR)

Form (2)

Sr.No. 36

Date 23-8-2014

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Permit No. 792 /2014 Date 23, August 2014

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub - section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter DIRECTOR GENERAL, ENERGY PLANNING DEPARTMENT, MINISTRY OF ENERGY

(b) Citizenship MYANMAR

(c) Address BUILDING NO. 6, NAY PYI TAW

(d) Name and Address of Principal Organization MINISTRY OF ENERGY, BUILDING NO. 6, NAY PYI TAW

(e) Place of incorporation BUILDING NO. 6, NAY PYI TAW

(f) Type of Investment Business IMPROVED PETROLEUM RECOVERY

(g) Place(s) at which investment is permitted ONSHORE BLOCK (IOR-6) MYANAUNG FIELD, AYEYAWADY REGION

(h) Amount of Foreign Capital US$ 31.00 MILLION

(i) Period for Foreign Capital brought in YEAR 2014 TO YEAR 2021

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 31.00 MILLION

(k) Construction period YEAR 2014 TO YEAR 2021

(l) Validity of investment Permitted 6 YEARS

(m) Form of investment IMPROVED PETROLEUM RECOVERY CONTRACT

(n) Name of Company incorporated in Myanmar

MPRL E & P PTE LTD. & MYANMAR PETROLEUM EXPLORATION & PRODUCTION COMPANY LIMITED

4/1

Chairman

The Myanmar Investment Commission

REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
No.(1), Thitsar Road, Yankin Township, Yangon

Sr.No.................
Date.................
Republic of the Union of Myanmar ★ Myanmar Investment Commission

Our ref: DICA-5(E)/009/2014(36) Tel: 95-1-657892
Date : 23rd August 2014. Fax: 95-1-657825

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Crude Oil and Natural Gas Improved Petroleum Recovery for Onshore Block IOR-6 (Myanaung Field) in Ayeyawady Region" under the name of " MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited "**

Reference: Ministry of Energy, Letter No. 008/878/Hta (571/2014) dated (8-7-2014).

1. The Myanmar Investment Commission, at its meeting (19 /2014) held on dated 18th July,2014 had reviewed the proposal and resolved to permit for investment in "Crude Oil and Natural Gas Improved Petroleum Recovery for Onshore Block IOR-6 (Myanaung Field) in Ayeyawady Region " under the name of "MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited" pursuant to the Improved Petroleum Recovery Contract to be signed between Myanma Oil and Gas Enterprise and MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited with the approval of the Cabinet of the Union Government, at its meeting (13/2014) held on dated 3rd July 2014.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. Subject to the provision of the Memorandum of Agreement, on dated 9th August 2013, the participating interests of the parties in respect of the Improved Petroleum Recovery Contract(IPR) shall be as follows:

MPRL E&P Pte Ltd.	(British Virgin Islands)	80%
Myanmar Petroleum Exploration Production Company Limited	(Myanmar)	20%

4. The permitted duration of the project shall be 6(six) years. An initial preparation period and initial joint study period shall be 6(six) consecutive months each and pilot project period shall be 3 (three) years and extendable for period of 2(two) years.

5. MPRL E&P Pte Ltd. & Myanmar Petroleum & Exploration Production Company Limited shall pay royalty to the Government equal to 12.5% of the value of Available Petroleum from the Contract Area.

6. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall pay to Myanma Oil & Gas Enterprise to the amount of US $ 7,690,000 (United States Dollar seven million, six hundred and ninety thousand only) as Signature Bonus within 30(thirty) days after the commencement of the Pilot Project Period.

7. Production Split between Myanma Oil and Gas Enterprise and MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall be allocated for Development and Production Area as follows:-

Incremental Crude Oil

BOPD	MOGE(%)	CONT (%)
0 - 5,000	60	40
5,001 - 10,000	70	30
10,001 - 20,000	75	25
20,001 - 30,000	80	20
Above 30,000	85	15

Incremental Natural Gas

MMCFD	MOGE(%)	CONT (%)
All	60	40

8. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall pay Production Bonus to Myanma Oil

and Gas Enterprise with respect to each Improved Petroleum Recovery for Crude Oil and Natural Gas and production area as follows:

Production Bonus

Incremental Crude Oil

At BOPD	US $(MILLION)
2,000 (for 60 consecutive days production)	0.20
5,000 (for 60 consecutive days production)	0.50
10,000 (for 60 consecutive days production)	1.00
20,000 (for 60 consecutive days production)	2.00
30,000 (for 60 consecutive days production)	3.00

Incremental Natural Gas

At MMCFD	US $(MILLION)
15(for 60 consecutive days production)	0.50
30(for 60 consecutive days production)	1.00
60(for 60 consecutive days production)	1.50
150(for 60 consecutive days production)	2.00

9. After the commencement of commercial production of Crude Oil, shall fulfil as its obligation 10%(ten) percent of Crude Oil and 15% (fifteen) percent of Natural Gas toward the supply of the domestic Crude Oil and Natural Gas market in Myanmar. Myanma Oil and Gas Enterprise shall pay the price equivalent of 75%(seventy five) percent of the Fair Market Price.

10. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall provide Training Fund to the amount of US $ 10,000 (United States Dollar ten thousand only) per contract year for Initial Joint Study Period and US $ 50,000 each (United States Dollar fifty thousand only) per contract year for Pilot Project Period and Production Period shall also provide Research and Development Fund to the amount of 0.5% (zero point five) percent of its share of profit Petroleum in favour of Myanma Oil and Gas Enterprise.

11. Myanma Oil and Gas Enterprise shall have the right to demand from MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited up to 15% (fifteen) percent undivided interest.

12. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited is liable to pay the Government the following tranches out of the net profit made on the sale or transfer of the shares in the Company.

(a)	If the amount of Net Profit is up to and including US$ 100 million (United States Dollars one hundred million only)	40%
(b)	If the amount of Net Profit is between US$ 100 million and US$ 150 million (United States Dollar one hundred million only and United States Dollar one hundred and fifty million only)	45%
(c)	If the amount of Net Profit is over US$ 150 million (United States Dollar one hundred and fifty million only)	50%

13. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per section 27(a),(h) and (i) of the Foreign Investment Law. Other exemptions and reliefs under Chapter XII, section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial operation;

(b) As per section 27(h), exemption or relief from custom duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

14. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall have to sign the Improved Petroleum Recovery Contract (IPR) with Myanma Oil and Gas Enterprise. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

15. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

16. The commercial date of operation shall be reported to the Commission.

17. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall endeavour to meet the targets for Crude Oil and Natural Gas Improved Petroleum Recovery stated in the proposal as the minimum target.

18. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall have to consult with Directorate of Labour, Ministry of Labour, Employment and Social Security for appointment of such foreign experts and technicians.

19. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provision under Chapter XV, section-37 of the Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rules 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section - 2(i) of the Foreign Investment Law, other than foreign currency.

20. Whenever MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited brings in foreign capital defined under Chapter I, section - 2(i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 19(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

21. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

22. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall report to the Commission of any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

23. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition, MPRL E&P Pte. Limited & Myanmar Petroleum Exploration & Production Company Limited shall be responsible to abide by the rules & regulations and comments made by Ministry of Environmental Conservation and Forestry. MPRL E&P Pte. Limited & Myanmar Petroleum Exploration & Production Company Limited shall report to conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) process which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted, and to perform activities in accordance with these reports and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and regulations.

24. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration Production Company Limited shall contribute Corporate Social Responsibility (CSR) activities in Myanmar.

25. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions.

26. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the income of MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited.

27. MPRL E&P Pte Ltd. & Myanmar Petroleum Exploration & Production Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Zay Yar Aung)
Chairman

Director General
Energy Planning Department

cc: 1. Office of the Government of the Republic of the Union of Myanmar
2. Ministry of National Planning and Economic Development
3. Ministry of Finance and Revenue
4. Ministry of Commerce
5. Ministry of Energy
6. Ministry of Foreign Affairs
7. Ministry of Home Affairs
8. Ministry of Immigration and Population
9. Ministry of Labour, Employment and Social Security
10. Ministry of Electric Power
11. Office of the Ayeyawady Region Government
12. Director General, Directorate of Investment and Company Administration
13. Director General, Customs Department
14. Director General, Internal Revenue Department
15. Managing Director, Myanma Oil and Gas Enterprise
16. Managing Director, Myanma Foreign Trade Bank
17. Managing Director, Myanma Investment and Commercial Bank
18. Managing Director, Myanma Insurance
19. Managing Director, Myanma Electric Power Enterprise
20. Director General, Directorate of Trade
21. Director General, Immigration and National Registration Department
22. Director General, Directorate of Labour

23. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)
24. MPRL E&P Pte Ltd.
25. Myanmar Petroleum Exploration & Production Company Limited

IOR 7

Form (2)

Sr.No 37

Date 23-8-2014

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Permit No. 793 /2014 Date 23rd , August 2014

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub - section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter DIRECTOR GENERAL, ENERGY PLANNING DEPARTMENT, MINISTRY OF ENERGY

(b) Citizenship MYANMAR

(c) Address BUILDING NO. 6, NAY PYI TAW

(d) Name and Address of Principal Organization MINISTRY OF ENERGY, BUILDING NO. 6, NAY PYI TAW

(e) Place of incorporation BUILDING NO. 6, NAY PYI TAW

(f) Type of Investment Business IMPROVED PETROLEUM RECOVERY

(g) Place(s) at which investment is permitted ONSHORE BLOCK (IOR-7) SHWE PYI THA FIELD, AYEYAWADY REGION

(h) Amount of Foreign Capital US$ 34.301 MILLION

(i) Period for Foreign Capital brought in YEAR 2014 TO YEAR 2021

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 34.301 MILLION

(k) Construction period YEAR 2014 TO YEAR 2021

(l) Validity of Investment Permitted 6 YEARS

(m) Form of investment IMPROVED PETROLEUM RECOVERY CONTRACT

(n) Name of Company incorporated in Myanmar PETRONAS CARIGALI MYANMAR INC & UNOG PTE LTD.

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
ရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
စာအမှတ်
ရက်စွဲ

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၇၉၃ / ၂၀၁၄ ၂၀၁၄ ခုနှစ် ဩဂုတ်လ ၂၈ ရက်

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှုဥပဒေပုဒ်မ ၁၃၊ ပုဒ်မခွဲ (ခ) အရ ဤခွင့်ပြုမိန့်ကိုမြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်ကထုတ်ပေးလိုက်သည်-

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် ညွှန်ကြားရေးမှူးချုပ်၊ စွမ်းအင်စီမံရေး ဦးစီးဌာန၊ စွမ်းအင်ဝန်ကြီးဌာန

(ခ) နိုင်ငံသား မြန်မာ

(ဂ) နေရပ်လိပ်စာ ရုံးအမှတ် (၆)၊ နေပြည်တော်

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ စွမ်းအင်ဝန်ကြီးဌာန၊ ရုံးအမှတ် (၆)၊ နေပြည်တော်

(င) ဖွဲ့စည်းရာအရပ် ရုံးအမှတ် (၆)၊ နေပြည်တော်

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား ရေနံနှင့် သဘာဝဓာတ်ငွေ့ အထွက်တိုးရေး လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) ကုန်းတွင်းပိုင်းဒေသ၊ လုပ်ကွက်အမှတ် (IOR-7) ရွှေပြည်သာဒေသ ၊ ဧရာဝတီတိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်းပမာဏ အမေရိကန်ဒေါ်လာ ၃၄.၃၀၀ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ၂၀၁၄ ခုနှစ် မှ ၂၀၂၀ ခုနှစ်အတွင်း

(ည) စုစုပေါင်းမတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၃၄.၃၀၀ သန်းနှင့် ညီမျှသောမြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၂၀၁၄ ခုနှစ် မှ ၂၀၂၀ ခုနှစ်အထိ

(ဌ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၆ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ IMPROVED PETROLEUM RECOVERY CONTRACT

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် ကုမ္ပဏီအမည်

PETRONAS CARIGALI MYANMAR INC & UNOG PTE LTD.

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
No.(1), Thitsar Road, Yankin Township, Yangon

Our ref : DICA-5(E)/010/ 2014(37) Tel: 95-01-657892
Dated : 23rd August 2014 Fax: 95-01-657825

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Crude Oil and Natural Gas Improved Petroleum Recovery for Onshore Block IOR-7 (Shwe Pyi Tha Field) in Ayeyawady Region" under the name of " Petronas Carigili Myanmar Inc & UNOG Pte Ltd."**

Reference: Ministry of Energy, Letter No. 008/878/Hta (571/2014) dated (8-7-2014).

1. The Myanmar Investment Commission, at its meeting (19 /2014) held on dated 18th July, 2014 had reviewed the proposal and resolved to permit for investment in "Crude Oil & Natural Gas Improved Petroleum Recovery for Onshore Block IOR-7(Shwe Pyi Tha Field) in Ayeyawady Region" under the name of "Petronas Carigili Myanmar Inc & UNOG Pte Ltd." pursuant to the Improved Petroleum Recovery Contract to be signed between Petronas Carigili Myanmar Inc & UNOG Pte Ltd. with the approval of the Cabinet of the Union Government, at its meeting (13/2014) held on dated 3rd July 2014.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. Subject to the provision of the Participation Agreement on dated 17th July 2013, the participating interests of the parties in respect of the Improved Petroleum Recovery Contract (IPR) shall be as follows:

Petronas Carigili Myanmar Inc.	(Liberia)	87.25%
UNOG Pte Ltd.	(Myanmar)	12.75%

4. The permitted duration of the project shall be 6 (six) years. An initial preparation period and initial joint study period shall be 6 (six) consecutive months each and pilot project period shall be 3 (three) years and extendable for period of 2 (two) years.

5. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall pay royalty to the Government equal to 12.5% of the value of Available Petroleum from the Contract Area.

6. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall pay to Myanma Oil & Gas Enterprise to the amount of US $ 3 million (United States Dollar three million only) as Signature Bonus within 30 (thirty) days after the commencement of the Pilot Project Period.

7. Production Split between Myanma Oil and Gas Enterprise and Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall be allocated for Development and Production Area as follows:-

Incremental Crude Oil

BOPD	MOGE(%)	CONT (%)
0 - 5,000	60	40
5,001 - 10,000	70	30
10,001 - 20,000	75	25
20,001 - 30,000	80	20
Above 30,000	85	15

Incremental Natural Gas

MMCFD	MOGE(%)	CONT (%)
All	60	40

8. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall pay Production Bonus to Myanma Oil and Gas Enterprise with respect to each Improved Petroleum Recovery for Crude Oil and Natural Gas and production area as follows:

Production Bonus

Incremental Crude Oil

At BOPD	US $(MILLION)
2,000(for 60 consecutive days production)	0.20
5,000 (for 60 consecutive days production)	0.50
10,000(for 60 consecutive days production)	1.00
20,000(for 60 consecutive days production)	2.00
30,000(for 60 consecutive days production)	3.00

Incremental Natural Gas

At MMCFD	US $(MILLION)
15(for 60 consecutive days production)	0.50
30(for 60 consecutive days production)	1.00
60(for 60 consecutive days production)	1.50
150(for 60 consecutive days production)	2.00

9. After the commencement of commercial production of Crude Oil, shall fulfil as its obligation 10% (ten) percent of Crude Oil and 15% (fifteen) percent of Natural Gas toward the supply of the domestic Crude Oil and Natural Gas market in Myanmar. Myanma Oil and Gas Enterprise shall pay the price equivalent of 75%(seventy five) percent of the Fair Market Price.

10. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall provide Training Fund to the amount of US $ 10,000 (United States Dollar ten thousand only) per contract year for Initial Joint Study Period and US $ 50,000 each (United States Dollar fifty thousand only) per contract year for Pilot Project Period and Production Period shall also provide Research and Development Fund to the amount of 0.5% (zero point five) percent of its share of profit Petroleum in favour of Myanma Oil and Gas Enterprise.

11. Myanma Oil and Gas Enterprise shall have the right to demand from Petronas Carigili Myanmar Inc & UNOG Pte Ltd. that up to 15% (fifteen) percent undivided interest.

12. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. is liable to pay the Government the following tranches out of the net profit made on the sale or transfer of the shares in the Company.

(a)	If the amount of Net Profit is up to and including US$ 100 million (United States Dollars one hundred million only)	40%
(b)	If the amount of Net Profit is between US$ 100 million and US$ 150 million (United States Dollar one hundred million only and United States Dollar one hundred and fifty million only)	45%
(c)	If the amount of Net Profit is over US$ 150 million (United States Dollar one hundred and fifty million Only)	50%

13. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per section 27(a),(h)and(i) of the Foreign Investment Law. Other exemptions and reliefs under Chapter XII, Section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial operation;

(b) As per section 27(h), exemption or relief from custom duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

14. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall have to sign the Improved Petroleum Recovery Contract (IPR) with Myanma Oil and Gas Enterprise. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

15. UNOG Pte Ltd. in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies the Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

16. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

17. The commercial date of operation shall be reported to the Commission.

18. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall endeavour to meet the targets for Crude Oil & Natural Gas Improved Petroleum Recovery stated in the proposal as the minimum target.

19. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall have to consult with Directorate of Labour, Ministry of

Labour, Employment and Social Security for appointment of such foreign experts and technicians.

20. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rules 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency.

21. Whenever Petronas Carigili Myanmar Inc & UNOG Pte Ltd. brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 20(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

22. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

23. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall report to the Commission of any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

24. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. In addition, Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall be responsible to abide by the rules & regulations and comments made by Ministry of

Environmental Conservation and Forestry. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall report to conduct Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) process which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity has to be prepared and submitted, and to perform activities in accordance with these reports and to abide by the environmental policy, Environmental Conservation Law and other environmental related rules and regulations.

25. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall contribute Corporate Social Responsibility (CSR) activities in Myanmar.

26. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. shall have to abide by the Fire Services Department's rules, regulations, directives and instructions.

27. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the income of Petronas Carigili Myanmar Inc & UNOG Pte Ltd.

28. Petronas Carigili Myanmar Inc & UNOG Pte Ltd. in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII , Rules 79 and 80 of the Foreign Investment Law.

(Zay Yar Aung)
Chairman

Director General
Energy Planning Department

cc: 1. Office of the Union Government of the Republic of the Union of Myanmar
2. Ministry of National Planning and Economic Development
3. Ministry of Finance
4. Ministry of Commerce
5. Ministry of Industry
6. Ministry of Foreign Affairs
7. Ministry of Home Affairs
8. Ministry of Energy

9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Environmental Conservation and Forestry
12. Ministry of Electric Power
13. Office of the Ayeyawady Region Government
14. Director General, Directorate of Investment and Company Administration
15. Director General, Directorate of Human Settlement and Housing Development
16. Director General, Directorate of Industrial Supervision and Inspection
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Director General, Directorate of Trade
23. Director General, Immigration and National Registration Department
24. Director General, Directorate of Labour
25. Director General, Department of Environmental Conservation
26. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)
27. Petronas Carigili Myanmar Inc
28. UNOG Pte Ltd.